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THE WHITE HOUSE

WASHINGTON

November 1, 1971

Dear Dick:

The need for improving the intelligence product and for increased efficiency in the allocation of resources devoted to the intelligence effort is urgent. In order to achieve these improvements, I will look to you to provide the intelligence community with the strengthened and responsible leadership it needs. I have decided upon some changes that I feel will provide you with the enhanced status and support needed to do the job. They are described in my memorandum to the Intelligence Principals which shall be your guide for implementation.

You should give the role of community leadership your primary attention and delegate, as much as is possible, the day-to-day management of the CIA. Four major responsibilities will require your priority attention.

- Planning and reviewing all intelligence activities including tactical intelligence and the allocation of all intelligence resources.
- Producing national intelligence required by the President and other national consumers.
- Chairing and staffing all intelligence community advisory boards or committees.
- Reconciling intelligence requirements and priorities with budgetary constraints.

While the formal changes I have directed are limited, I hope and expect additional changes in the functioning and management of the intelligence community. I particularly expect that you will work toward the attainment of three goals:

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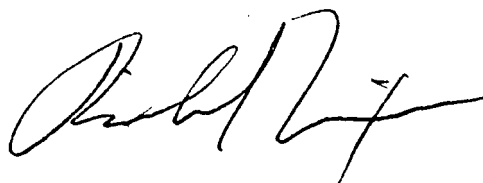
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- A more efficient use of resources in the collection of intelligence information.
- A more effective assignment of functions within the community.
- Improvement in the quality and scope of the substantive product.

In your efforts to attain these goals, you will have my strong support. Should, in your opinion, further changes in the management and organization of the intelligence community be needed, they will receive prompt and sympathetic attention from me.

Sincerely,



Honorable Richard M. Helms
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

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MEMORANDUM

1. The basic concept for the foreign intelligence organization of the United States was established by section 102 of the National Security Act of 1947. While there have been some minor amendments to this Act, the original concept has not changed. Under this Act the Central Intelligence Agency is charged with the duty of coordinating "under the direction of the National Security Council" the intelligence activities of the several Government departments and agencies. (Section 102(d))

2. Since the passage of the National Security Act of 1947 the intelligence community has been governed by Directives of the National Security Council pursuant to the Act; occasionally some of these Directives have been amended or supplemented in response to the changing needs of the intelligence function. Throughout this period, the Director of Central Intelligence has been responsible for coordinating the over-all intelligence activities of the Government, but has lacked clear-cut authority to act on matters outside of the Central Intelligence Agency, which is under the Director's immediate control.

3. As stated in the White House press release of 5 November 1971, the presidential decisions are designed to improve the efficiency and effectiveness of the U. S. intelligence community and for this purpose have enhanced the leadership role of the Director of Central Intelligence. Among the new responsibilities of the Director are the preparation, with the advice of a newly established Intelligence Resources Advisory Committee, of a consolidated intelligence program budget. These presidential decisions provide a more effective coordinating mechanism for the national intelligence effort, and are consistent with the responsibilities of the Director of Central Intelligence as set forth in the National Security Act of 1947.

4. The following comparisons illustrate the significance of the changes outlined in the White House announcement:

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RECONSTITUTION OF THE UNITED STATES
INTELLIGENCE BOARD

Present System

At the heart of the intelligence function is the United States Intelligence Board established under the National Security Council to:

"...maintain the relationship necessary for a fully coordinated intelligence community, and to provide for a more effective integration of and guidance to the national intelligence effort...under the chairmanship of the Director of Central Intelligence," and

"(1) Establish policies and develop programs for the guidance of all departments and agencies concerned.

(2) Establish appropriate intelligence objectives, requirements and priorities.

(3) Review and report to the National Security Council on the national foreign-intelligence effort as a whole.

(4) Make recommendations on foreign-intelligence matters....

(5) Develop and review security standards and practices as they relate to the protection of intelligence and of intelligence sources and methods from unauthorized disclosure.

(6) Formulate, as appropriate, policies with respect to arrangements with foreign governments on intelligence matters."

The membership of the U.S. Intelligence Board includes: the Director of Central Intelligence, Chairman; the Deputy Director of Central Intelligence, Central Intelligence Agency; the Director of Intelligence and Research, Department of State; the Director, Defense Intelligence Agency; the Director, National Security Agency; a representative of the Atomic Energy Commission; and a representative of the Director of the Federal Bureau of Investigation.

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The Director of Central Intelligence is also charged with the responsibility to:

- a. Act for the National Security Council to provide detailed implementation of National Security Council Intelligence Directives.
- b. Issue Directives concerning general guidance and the establishment of specific priorities for the production of national and other intelligence and for collection and other activities in support thereof.
- c. Establish policy, procedures and practices for the maintenance, by the individual components of the intelligence community, of a continuing interchange of intelligence.
- d. Establish policy, procedures and practices for the production or procurement, by the individual components of the intelligence community, of such intelligence as may be requested by one of the departments or agencies.
- e. Conduct surveys of departmental intelligence activities of the various departments and agencies as he may deem necessary in connection with his duty to advise the National Security Council and to coordinate the intelligence effort of the United States.
- f. Produce national intelligence with the support of the U. S. Intelligence Board. Intelligence so produced shall have the concurrence, as appropriate, of the members of the U. S. Intelligence Board or shall carry a statement of any substantially differing opinion of such a member or of the Intelligence Chief of a Military Department.
- g. Disseminate national intelligence to the President, members of the National Security Council, as appropriate, members of the U. S. Intelligence Board and to such other components of the Government as the National Security Council may from time to time designate or the U. S. Intelligence Board may recommend.

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h. With the assistance and support of the members of the U. S. Intelligence Board, ensure the development of policies and procedures for the protection of intelligence and of intelligence sources and methods from unauthorized disclosure.

New System

The only significant change regarding the United States Intelligence Board is the addition of a representative of Treasury Department to the Board. This change reflects the increased interest of our top policy-makers in world economic developments.

ESTABLISHMENT OF A NATIONAL SECURITY COUNCIL INTELLIGENCE COMMITTEE

Present System

Under present procedures intelligence collection and production has been guided primarily by the recommendations of USIB Subcommittees concerned with the establishment of collection priorities, plus the occasional specific requirements levied by the policymaking level.

New System

The establishment of the National Security Council Intelligence Committee (NSCIC), which the President has directed, creates a permanent high-level policy group, the function of which is to develop requirements for intelligence in support of the formulation of U. S. foreign and defense policy, so that the intelligence community can respond in a more orderly, timely, and effective manner to the intelligence needs of the highest policy levels. NSCIC will also provide for a continuing evaluation of the intelligence product from the standpoint of prime intelligence users.

ESTABLISHMENT OF A NET ASSESSMENT GROUP

Net assessment is the comparison of the capabilities and intentions of major potential foreign adversaries with the capabilities of the United States. Net assessment is not a function of the intelligence community, but the new Net Assessment Group will depend on intelligence material for their assumptions regarding the capabilities and intentions of foreign powers.

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ESTABLISHMENT OF THE NATIONAL INTELLIGENCE
RESOURCES ADVISORY COMMITTEE

Present System

In the past the Director of Central Intelligence has been advised by a National Intelligence Resources Board recommending on the most effective employment of the resources--money, manpower and equipment--of the intelligence community in pursuit of certain national intelligence objectives. This Board has been composed of the Deputy Director of Central Intelligence as Chairman; the Director of Intelligence and Research, Department of State; and the Assistant Secretary of Defense for Administration (who has had certain defense intelligence responsibilities regarding programming and budgeting).

New System

Establishment of the Resources Advisory Committee is again a formalization and upgrading of existing interdepartmental arrangements. It is designed to assist the Director of Central Intelligence in carrying out his broad responsibilities regarding the coordinated utilization of national intelligence resources, including the preparation of a consolidated intelligence program budget.

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